



michigan suburbs alliance

**TESTIMONY OF THE MICHIGAN SUBURBS ALLIANCE BEFORE THE  
MICHIGAN HOUSE STANDING COMMITTEE ON  
INTERGOVERNMENTAL AND REGIONAL AFFAIRS**

February 24, 2009

Madam Chair and esteemed members of the committee:

Thank you for the opportunity to share our perspectives on metropolitan policy development with you today. First, an introduction. Since 2004 I have directed the Michigan Suburbs Alliance, a 501(c)(3) nonprofit coalition of local governments in the metro Detroit area. Currently 31 communities representing 1.2 million Michigan residents belong to the Suburbs Alliance. Our mission hones in on intergovernmental cooperation and regional prosperity. Our programming is both award-winning nationally recognized as models for other states and regions. We conduct our work in three major groupings:

- Our Redevelopment Ready Communities<sup>®</sup> program assists cities in refining their planning and zoning practices to ease the infill-development process;
- The Southeast Michigan Regional Energy Office (launched in collaboration with SEMCOG, the Michigan Municipal League, WARM Training Center, DTE Energy and the Michigan Environmental Council) helps local governments aggregate their buying power for energy efficiency products and renewable energy;
- Finally our Millennial Mayors Congress offers a nationally unique method for city mayors to launch an intergenerational conversation about city vitality with the next generation of civic leaders, the “Millennials” – our young professionals aged 20-34. Alongside this program we manage a statewide internship project on behalf of the Michigan State Housing Development Authority’s Cool Cities program, in cooperation with the University of Michigan, Michigan State University and Wayne State University.

As an intergovernmental collaborative we have a keen interest in metropolitan policy development and see the state’s role creating the a supportive environment for thriving metros as foundational to our regions’ and our people’s long-term prosperity.

**How You Define a Metro Matters**

In its most simple construction, a metro is a Census statistical area that generally includes one or more substantively sized cities and their surrounding communities. The federal

government identifies 15 metros in Michigan, ranging size from Bay City's 108,000 residents to the Detroit-Warren-Livonia triangle with well over four million (making it the twelfth largest in the nation). In reality, metros are dynamic and malleable depending on their function. From an economic perspective a metro might be defined by its commuting patterns or by density of industry clusters. Culturally, a metro might be defined by its ethnic history or by a characteristic artistic style. Environmental factors, like watersheds, could also write the boundaries of a functioning metro. Regardless of the parameters used to define them, metros all share the common traits of multiple communities whose populations are comparatively highly interactive.

We look at 10 indicators when trying to identify a metro function at work. Although not comprehensive or exclusive this list sheds light on key characteristics:

1. A core city with an interdependent suburban population
2. Commuting patterns that show high interaction between neighboring communities
3. Physical links like roads or environmental features
4. Governmental interdependencies
5. Economic indicators like industry clusters or shared growth or decline trends
6. Similar housing stock
7. Similar settlement or land use patterns
8. Shared entertainment and cultural attractions
9. Higher education institutions that serve broad populations
10. Shared values, attitudes or historical linkages.

It is important to note that metros frequently intersect at their fringes or overlap (sometimes they are entirely contiguous). As boundaries shift depending on the issue being addressed, it is essential that metropolitan policy not statically define a geographic area but rather remain flexible and outcome oriented.

When a metro is highly functioning, the economic prosperity indicators are clear: it will concentrate economic activity and create investment "ripple effects" that result in an increasing cycle of prosperity. The Brookings Institution estimates that while Michigan's largest metro accounts for 57% of the state's population, it houses 61% of the jobs and generates 66% of the state's GDP. A study of the Chicago region by CEOs for Cities found that prosperity in a metro builds upon itself in a quantifiable way: there, a \$1 investment in the core city generates an additional 25 cents of growth in the suburbs, and a dollar put into the suburbs creates 15 cents of growth in the city.

### **Michigan Metros Suffer from a Cycle of Decline Rooted in Public Policy**

Michigan's long tradition of local control has significantly impeded our ability to prosper both as metros and as a state. We have developed an over-reliance on individualized community actions that is only recently being substantively overcome by increased intergovernmental cooperation. However, state policy barriers remain, as well as social barriers that have their roots in public policies of the past. Without deliberate reforms,

the piecemeal kinds of intergovernmental cooperation that dominate the field today will continue to do so in the future.

We see governmental fragmentation at the heart of a “cycle of decline” for metros that if left unaddressed will squelch our ability to compete in a rapidly globalizing world. The fragmentation we experience across regions in Michigan places high barriers to communities struggling with “greater-than-local” issues, across economic, social and environmental concerns. Because our tools for addressing challenges like affordable housing, water quality, brownfields and the like remain largely local in nature, it is a struggle to catalyze regional action around these issues. Many Michigan metros are finding creative ways to circumvent the legal barriers (e.g. the West Michigan Strategic Alliance uses the business community to effectively elevate regional concerns), but the field can – and should – be made much easier to play on.

As we fail to address regional concerns we find that economic and social inequities begin to arise and cluster geographically. For example, Michigan’s poorest citizens by-and-large live in the core cities of dysfunctional metros. Those communities suffering from concentrations of poverty struggle to maintain their tax bases to adequately provide public services and typically raise the tax rate to compensate, making them among the most expensive places to live.

As social and economic segregation takes hold, neighboring communities find themselves struggling to insulate themselves against spreading decline and, especially in our policy environment, opt for local actions which trend toward “protection” over “prosperity.” By deepening the distinctions between themselves and neighboring governments faced with similar challenges, communities seek a competitive advantage for their residents, which often raises additional barriers to region cooperation, beginning the cycle over again.

A metropolitan policy framework for prosperity needs to elevate what has come to be known as the “triple bottom line.” In this system, economic prosperity overlaps with environmental sustainability and social equity (all three, regional issues) to create a stable and maintainable society. In defining the outcome orientation for metro policies, we recommend they be evaluated against this standard as a means of combating the cycle of decline with a positive change strategy.

## **Recommendations for Progress**

### *Principles for Policy Development*

Before engaging in a debate over the specific actions or pieces of legislation that this committee might take up, we strongly encourage leaders to build consensus around a set of values and principles that should guide the policy development process. Four principles in particular should be elevated:

- Flexibility as to the scope and scale of the collaboration is essential. Legislation that defines a metro by geography should be avoided; rather programs should be allowed to “right-size” themselves based on desired outcomes.
- State systems should reflexively reward collaboration with enhanced financial, policy or organizational tools. Current barriers or impediments to intergovernmental program development should be removed from state policies (particularly at the departmental level and within grant parameters).
- Form should follow function: some government roles are inherently local (e.g. neighborhood design), while others are intractably intergovernmental (e.g. watershed protection) and yet others are scalable to the need or the service area (e.g. weatherization programs).
- Priority should be placed on policies that leverage existing programs to improve our statewide competitiveness for federal funding and improve our collective triple bottom line.

Below are eleven recommendations for target areas for policy reform. Each of them can reasonably comprise numerous specific legislative actions; although we did not describe those here, our staff is at your service if you would care to delve more deeply into any one of them.

#### *Invest in Solutions to Key Metropolitan Challenges*

- Continue and enhance the strategic investment in infrastructure maintenance through extended asset management programs
- Authorize regional revenue sharing of a diverse array of financing options
- Support an infrastructure for innovation by building on key industrial sectors
- Reprioritize the transportation system to support comprehensive mass transit solutions

#### *Reduce Fragmentation with Tools for Cooperation*

- Require multi-jurisdictional cooperation on infrastructure through regional management systems
- Create significant financial incentives for cooperation on service delivery
- Amend economic development tax programs to reduce competition between communities
- Stabilize Michigan’s cities so every citizen has access to catalyze high-impact cyclic investments

#### *Transform an Insular Culture to Inclusion and Equity*

- Ensure personal prosperity by providing housing, health care and education
- Proactively support strategies to reduce racial barriers between our communities
- Strategically engage young professionals in establishing regional priorities

Madame Chair, members of the committee, on behalf of the mayors, managers and residents of the Suburbs Alliance communities, I thank you for your time and attention today. I believe firmly that Michigan's complex economic challenges are better resolved through our collective action and that reframing metropolitan policy at the state level can be a powerful catalyst for local and regional innovation that will guide us toward greater, more sustainable prosperity.

I look forward to your deliberations over this legislative session and offer my continued support.

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